GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:5286
ANSWERED ON:05.05.2008
REVENUE FROM AUCTION OF SPECTRUM
Acharia Shri Basudeb

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether his Ministry has received suggestions from the Ministry of Finance for auctioning spectrum to generate more revenue for the Government as reported in the Business Line dated February 17, 2008;

(b) if so, the details thereof and reaction of the Government thereto;

(c) whether the Ministry of Finance has shown its reservations against allocating spectrum at a price fixed in 2003; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRI JYOTIRADITYA M. SCINDIA)

(a) to (d) The report of the "Business Line" dated 17/02/08 mentions that the Union Finance Ministry has told the Department of Telecom that allocating spectrum through an auction process was legally possible. It also mentions that the opinion of the Finance Ministry is in contrast to the stand taken by the Communication Ministry, which has earlier ruled out auction on the grounds that it was illegal.

The review of spectrum fee/charging is undertaken from time to time, taking into account various relevant aspects viz. consultations with stake holders, and the concerned Ministries, with a view to bring spectrum charges to a realistic level. Also, the initial spectrum is allotted as per provisions of the telecom service licences. With the growth of services, additional spectrum is allotted as per criteria in this regard. The spectrum usage charges are paid by the operators on revenue share basis. The annual spectrum revenues have increased from Rs.25 crore in 1997-98 to Rs.3000 crore in 2007-2008.